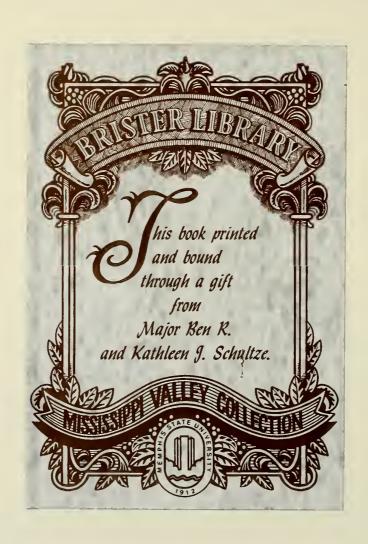
ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY INTERVIEWS WITH DR. LAWRENCE DURISCH

BY - CHARLES W. CRAWFORD
TRANSCRIBER - SHARON HESSE
ORAL HISTORY RESEARCH OFFICE
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ORAL HISTORY RESEARCH OFFICE

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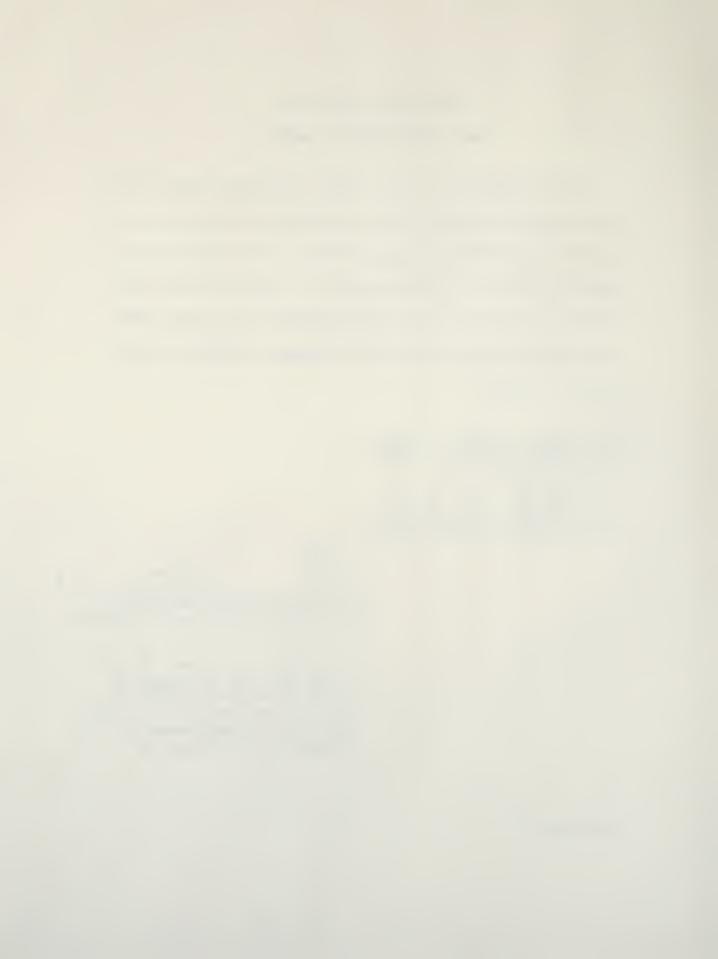
PLACE Knowille, Tem.

DATE July 14, 1970

(Interviewee) LAWRENCE L. Purisch

(For the Mississippi Valley Archives of the John Willard Brister Library

of Memphis State University)



THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE
UNIVERSITY. THIS PROJECT IS "AN ORAL HISTORY OF THE TENNESSEE
VALLEY AUTHORITY." THE PLACE IS KNOXVILLE, TENNESSEE. THE
DATE IS JULY 14, 1970, AND THE INTERVIEW IS WITH DR. LAWRENCE
DURISCH, FORMERLY WITH THE TENNESSEE VALLEY AUTHORITY, NOW AT
THE UNIVERSITY OF TENNESSEE. THE INTERVIEW IS BY DR. CHARLES W.
CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY
RESEARCH OFFICE, AND WAS TRANSCRIBED BY MRS. SHARON HESSE.

CRAWFORD: Dr. Durisch, I suggest that we start by getting a little biographical summary before your TVA experience; then we'll proceed into that.

DURISCH: I'm a native of Nebraska and graduate of the

University of Nebraska. I took first a law degree
and then a LLB and an M.A. at Nebraska, and for a short period
I was an instructor in political science at that institution.
From there I went to the University of Chicago for additional
graduate work and completed work in 1932 for the Ph.D. While
I was at Chicago finishing up the graduate requirements, getting
ready to get a publication out of my dissertation and so forth,
the head of the political science department, Dr. Charles E.
Merriam, knew that I was in the job market and called me in and
told me that Professor Floyd Reeves over in the School of
Education had just been made the Personnel Director of this "new



Tennessee Valley Authority"--this was in 1933--and suggested that I go over and talk to Dr. Reeves, which I did. I'm sure Dr. Reeves didn't know much more about the Tennessee Valley Authority at that period than I did. He spent his time quizzing me about my attitude toward public and private utilities. My dissertation, by the way, had been in staff functions, and regulation of public utilities. And when we got through with the interview, which Dr. Reeves had recorded by his secretary and notes kept, he wanted to know if I should come with TVA what type of work I would be interested in. Having just finished graduate work, I said, "Well, research." And Dr. Reeves said, "If we set up a research unit, which I think we may do, I'll keep you in mind."

I stayed in Chicago and did some teaching at the downtown school. And exactly a year later Professor Reeves did follow up and wanted to know whether I was still interested in coming to Knoxville. By that time, of course, I knew a little bit more about TVA, certainly about the work on the model town of Norris and the construction of Norris Dam, which were fairly well publicized at that period. My intention, of course—during graduate school work and previous teaching—was to go into university teaching rather than working for the federal government. But if you recall, during the depression years college jobs were scarce and hard to come by. When I had an offer in July of 1934 to come to the Tennessee Valley Authority, I was very happy to accept it.



I reported for work on the first of August, 1934. My title had to do with political science and I think probably the first time that the word political science had been used in a job description in the federal government. I was brought in primarily as a political scientist, and one of the things I was interested in and which the job called for, was assistance with the inter-governmental relations of the new agency. So I came into TVA by that gateway. I did have my doctorate in political science and I had worked in the field of public administration. I also have a law degree from the University of Nebraska which I think was useful in the work with the TVA.

CRAWFORD: What time did you meet Floyd Reeves in Chicago; was that in the summer of 1933?

DURISCH: I think so, yes.

CRAWFORD: I believe that's when he was recruiting. I interviewed him in Michigan recently.

DURISCH: Yes, I think that's right. I'm sure I must have been one of the very first that he talked to, and I don't think he had been down to Knoxville at that time.

CRAWFORD: What work did you do when you first arrived at TVA; what were your first responsibilities?



DURISCH: Well, one of the first ones was helping set up some form of citizen participation for the TVA town of Norris. In other words, a governmental organization in Norris, sort of a citizens advisory group. And, of course, being right out of graduate school I was very enthusiastic about city manager government, and my recommendation and the course we followed up was to provide for the city manager form with a city council first elected by proportional representation.

CRAWFORD: What state of development was Norris in when you arrived?

DURISCH: It was still pretty much a construction village,
but the construction was fairly well advanced by
that time and they were beginning to think about the permanent
use of the town.

CRAWFORD: What doubts, if any, were expressed about whether or not TVA should go into the development of a town?

DURISCH: Well, none at that time. I don't think the critical consideration of it was yet in evidence. There was some question of what the permanent status of the town should be, whether TVA should continue to operate it and how much citizen participation was desirable. I remember that the



Chairman of the Board, Dr. Arthur E. Morgan, called me in, and he had seen my notes on the suggestion for a city manager type. One of his engineers had told him that that was a form of organization that the German cities set up, and he was a little bit concerned that we were copying a totalitarian form of municipal organization. We reassured him that it was American. He did like the idea of proportional representation which assured that all the votes would be utilized in selecting the council; in other words by transfer of votes and dropping out of candidates and so forth proportional representation made it quite sure that each person had the fullest participation in the selection process. Dr. A. E. Morgan liked that and he finally was reassured that the city manager government was not contrary to democratic ideals.

CRAWFORD: I know that Dr. Morgan lived at Norris. Did you live there?

DURISCH: Not immediately. We went out there some years later. We did spend a period of years living at Norris, but not immediately. We lived in Knoxville at first.

CRAWFORD: It seems to me that Norris was a laboratory where you could apply political ideas which weren't usually tried. Did you find it that way?



DURISCH: Well, it had overtones of experimentation and innovation, and for that reason it was an interesting place in the early days.

CRAWFORD: Did you think that the government has survived well, or have you kept up with Norris after it was sold?

DURISCH: Norris has done all right. It's a traditional town. I think the majority of people who live there now are no longer connected with TVA, and so there's very little to distinguish it in operation from that of any other town. And, of course, the town was sold and the property passed into private hands. I was in Norris at the time the TVA disposed of the properties out there, but I left the town soon afterwards. I decided not to buy my house in Norris, but instead came back to Knoxville.

CRAWFORD: Was there any difficulty in the transfer to private ownership?

DURISCH: Well, no. I think that worked out rather smoothly.

The corporation that bought the town was able to dispose of individual pieces of property in a rather orderly manner.



CRAWFORD: I believe the occupants usually bought their own property, didn't they?

DURISCH: Lots of them did. Some of them took that opportunity to change residence, which we did.

CRAWFORD: Did the residents of Norris have any difficulty with developmental plans of the purchaser?

DURISCH: Oh, I suppose, yes--some--but I don't think more than should be expected in a situation like that.

I don't think that they encountered unusual difficulties.

CRAWFORD: I know I've talked to several people who were at

Norris at least for a time. David Lilienthal lived
there for a while, so did Arthur Morgan, Carroll Towne,
Richard Kilbourne, who is still there, so forth. How long did
you work with the town of Norris?

DURISCH: That wasn't my entire work, but I was interested in it until the time it was disposed of.

CRAWFORD: What other responsibilities did you have at TVA,

Dr. Durisch?



DURISCH: Well, we tried to encourage public administration research in the valley area. We set up cooperative research projects with the universities, which included really organizing bureaus of public administration in the state universities. We did several series of cooperative studies—one of them on state administration of resource programs, another on technical assistance available to local governments, and several other projects along that line. And we were interested in cooperative research with the state universities. We did a series of studies with the Negro land-grant colleges lasting over ten or fifteen years perhaps—a series of projects.

One of the problems that soon appeared and in which the unit that I represented was very much interested was the question of payments of taxes or rather payment in lieu of taxes on property acquired by the Tennessee Valley Authority, and this adversely affected state and local tax bases. We put a great deal of effort on that problem, and I think our unit probably carried the burden of the controversy in the early days. The power people were not convinced that any payment should be made to local government. The result of the series of studies and conferences was that the TVA Act was amended, and the present Section 13 is the result of the research and public relations effort on the part of the staff.

CRAWFORD: How did you feel about payments in lieu of taxes?



DURISCH: I think they were necessary. There's no question about it.

CRAWFORD: I know tax revenues in many areas were quite low already before TVA was established.

DURISCH: Well, it's a case of including in the cost of your power an allowance for the tax adjustment. I think if TVA hadn't solved that problem, there would have been real difficulty. As it is, payments in lieu of taxes are not a source of controversy.

CRAWFORD: It helped public relations a great deal, I know, in the region.

DURISCH: And I think the problem was handled on a pretty constructive basis with the state and local governments. Before TVA took a proposal to Congress for revision of the Section 13 of the Act, it got a compromise agreement from all the states as to what they would go along with. There were questions of the interest of one state as opposed to the other states in the division of any payments in lieu of taxes. Compromise among states was necessary and this was settled, I thought, very well before the matter was presented to the congressional committees.



CRAWFORD: How did you arrive at the amount of taxes--or payments in lieu of taxes?

DURISCH: What we tried to do was to first assure that the tax losses would be met. In other words, that the percentage of gross revenues that was set aside for in lieu would be adequate to cover tax losses. Of course, what has happened—the percentage of income arrived at for in lieu payments produced a sum that was far in excess of any historical tax losses. The primary consideration in the early stages was to make up tax losses, and that was done very well and very adequately.

CRAWFORD: With a bit left over, I believe.

DURISCH: Oh, yes, with substantial amounts left over.

CRAWFORD: What about the cost of power; what affect did that have on the cost of power?

DURISCH: Well, according to the power economists, that tax allowance was already in the rates, so it was just a question of how it should be utilized—more rapid retirement of debt or payment to the state and local government in the form of payments in lieu of taxes.



CRAWFORD: Do you know if that amount has been adjusted since?

DURISCH: No, I don't think the basic formula has. I think it's stayed at the same percentage rate. But, of course, the amount available under the skyrocketing sales has been tremendous. We figured that a million and a quarter at that time would compensate for actual tax losses—historical tax losses. I think the payment is now ten times that or more.

CRAWFORD: Then local governments have done quite well as a result of this.

DURISCH: Yes, very well. Of course, very few people connected with the Authority had any concept of the amount of power that would be utilized in the area in the years ahead.

CRAWFORD: Did you suspect the amount at the time?

DURISCH: No, I don't think I did. I remember when the
Authority was concerned whether the power produced
at Norris Dam could be sold. And, so, I don't think--even on
the part of the power planners, there was any real realization
of the amount of power that would be called for by, say 1970.
For one thing, I am sure no one foresaw the AEC and few had any
idea of the extent to which electric space heating would be



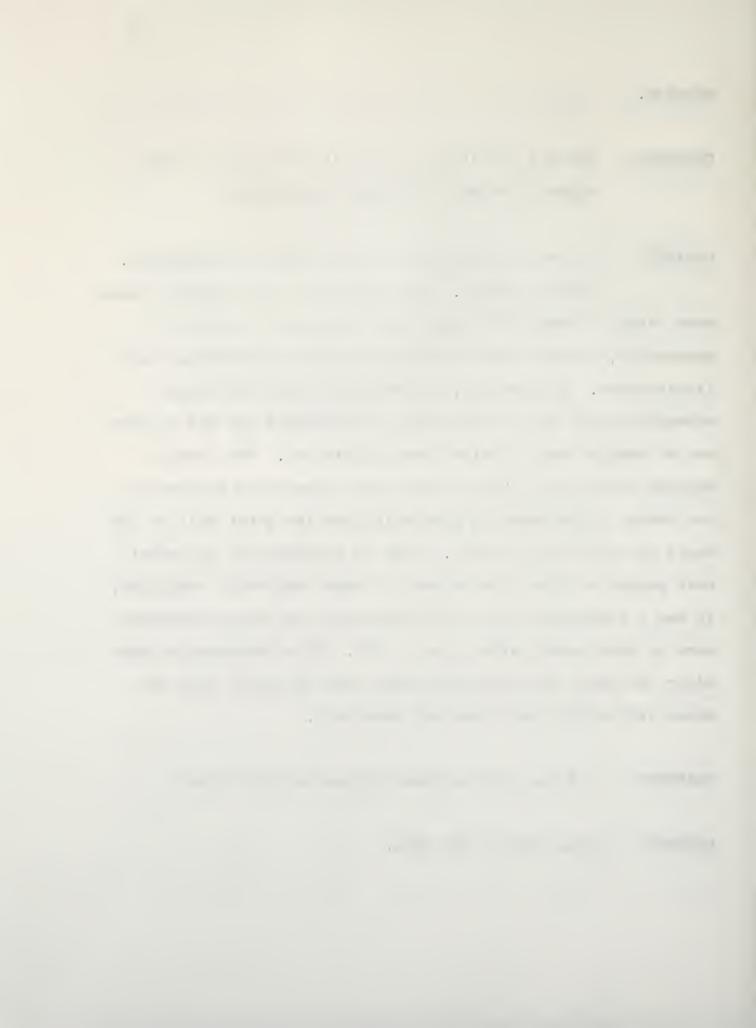
adopted.

CRAWFORD: How did you arrive at the distribution of these payments between different governments?

DURISCH: It was settled partly on the basis of compromise. between states. North Carolina, for example, would have liked a formula that gave more attention to place of generation, because North Carolina had power generation, but little sales. Mississippi, on the other hand, had fairly extensive sales but no generation; accordingly you had to work out a formula that satisfied both conditions. The formula arrived at was very obvious--half the payment was divided on the basis of the place of generation and the other half on the basis of the place of sales. Thus it satisfied to an extent both points of view with neither of them completely satisfied. It was a compromise that they worked out and their commitments were to each other rather than to TVA. This distribution was after the basic tax losses had been made and dealt with the money left after tax losses had been paid.

CRAWFORD: Did you work in Knoxville during this time?

DURISCH: Yes, most of the time.



CRAWFORD: When did you leave the Tennessee Valley Authority,
Dr. Durisch?

DURISCH: About four years ago. I've been out here at the

University of Tennessee since that time. I never

completely got away from the academic side. I took some leave

without pay for occasional teaching while I was with TVA--one

period at the University of Illinois, two different periods at

the University of Alabama, one at Vanderbilt, and also taught

periodically at the University of Tennessee. Thus I maintained

an academic interest throughout the TVA years. I enjoy teaching

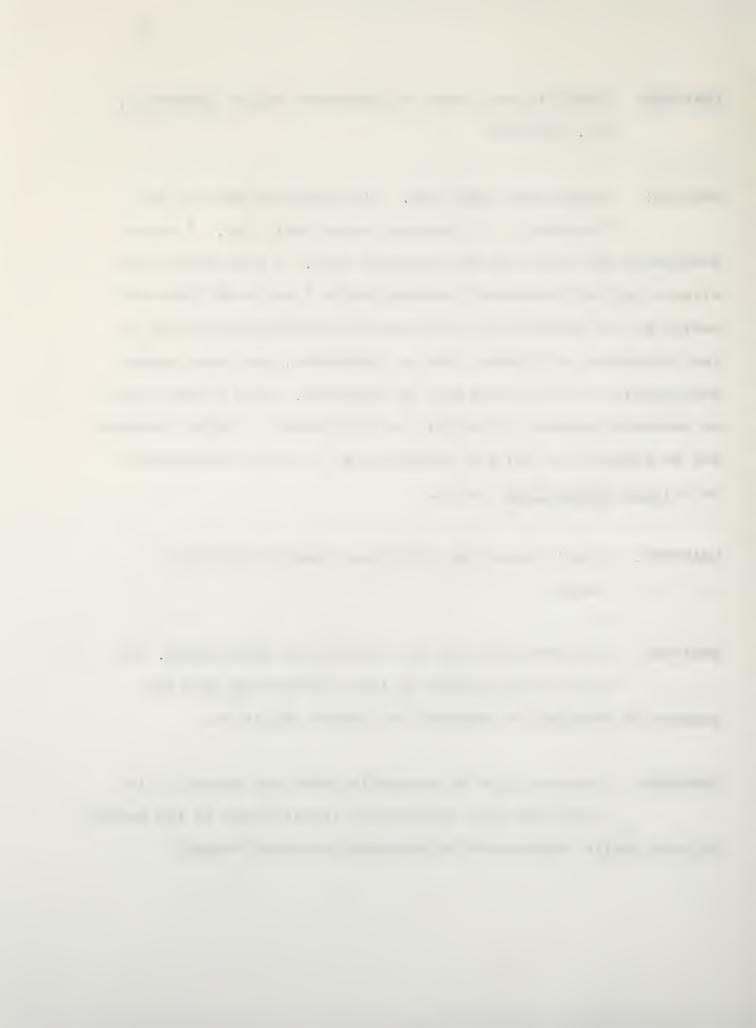
and am grateful to TVA for permitting me to accept assignments

on a leave without pay status.

CRAWFORD: That's been true of several people with TVA, I know.

DURISCH: Yes, TVA has been very helpful in that regard. It will allow periods of leave without pay for the purpose of teaching or research or further education.

CRAWFORD: Were you able to accomplish what you wanted to in relations with educational institutions in the region, in your public administration programs and other things?



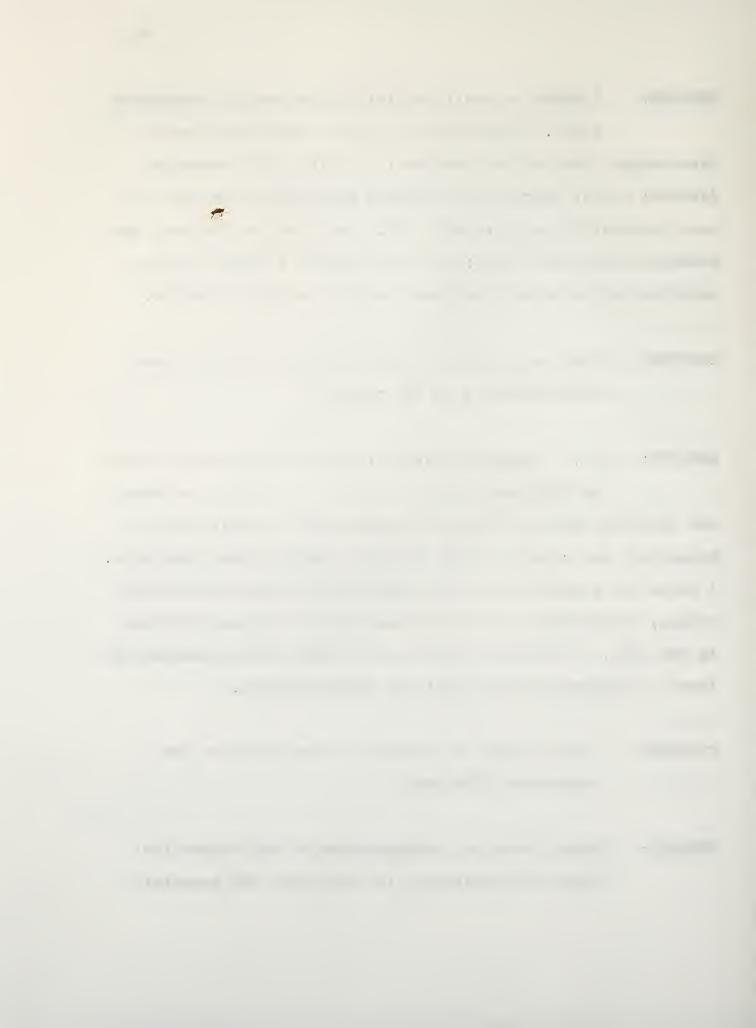
DURISCH: I think in public administration we did accomplish a lot. The bureaus of public administration in Mississippi; the one in Tennessee; certainly the program at Alabama; one at Georgia, all stemmed back pretty directly to some cooperative projects with TVA. Our work was limited, and probably should have been; but nevertheless I think it was a positive factor in getting these research agencies started.

CRAWFORD: What do you believe has been the effect of these establishments on the region?

DURISCH: Oh, I think the universities have been able to play an important role in training for state government, the Southern Regional Training Program Public Administration being only one example of the interest that has been generated. I think the programs in public administration have been fairly strong, considering the limited resources of the universities in the area. I think the universities have been a constructive force in improving state and local administration.

CRAWFORD: Did you make any attempt to limit this to the seven-state TVA area?

DURISCH: Pretty much so, although some of the states that were not technically in the valley did associate



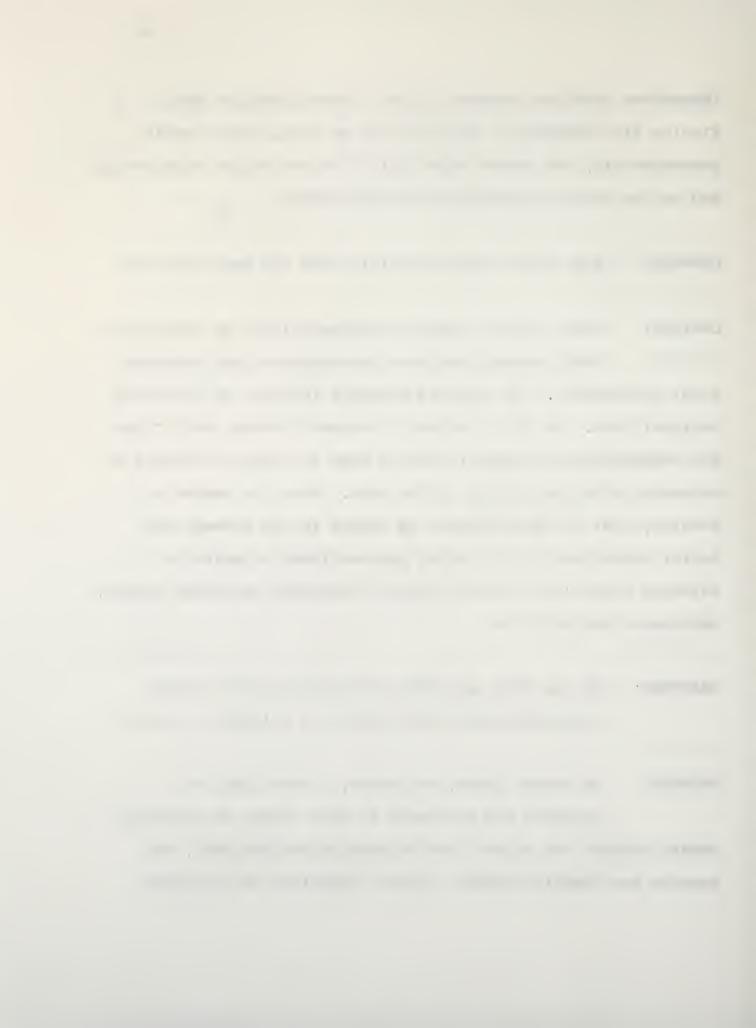
themselves with the research effort. South Carolina did,
Florida did informally. Any aid that we gave, and it wasn't
extensive aid, was pretty much limited to the valley institutions
and to the state universities in those states.

CRAWFORD: What other responsibilities did you have with TVA?

DURISCH: Well, general advisory responsibility in connection with economic subjects and subjects that involved local governments. We prepared regional indices; we collected regional data. We did a series of economic trends, and it was our responsibility rather to try to keep the agency informed of economic and social trends in the area. We did a number of studies, most of theminternal, on change in the economy and social conditions in the valley and published a series of internal reports on various phases of economy, including income, employment and so forth.

CRAWFORD: Do you know any other statistics for the region collected during this period as reliable as yours?

DUIRSCH: In recent years, of course, a great deal of progress has been made in such things as measuring county income; but at the time we were collecting data, the sources were pretty sketchy. Those conditions are changing



now. There is more adequate data available than during the period during which we started when reporting, particularly local government reporting, in the area was pretty inadequate.

CRAWFORD: As a result of your collection of information, do you have any idea how much change TVA has brought to the region?

DURISCH: You run into a great deal of difficulty when you attempt to attribute the change in a complex economy to any one factor. You can measure change, but when you try to set out cause and effect relationships I think you get into difficulty. So, I know that in assessing TVA's responsibility or the credit that it can claim for regional change, it's pretty hard to isolate causal factors.

CRAWFORD: I know this can't be quantized, but what percentage of the economic growth in the area would you estimate was caused by TVA?

DURISCH: I'd hesitate to do that. I just don't think you can. The area has made progress, but other parts of the country have made progress too. The rate of progress in many areas is greater in the Valley, but the base from which you start may be well below the national average.



CRAWFORD: Is it possible that TVA has not helped the region?

DURISCH: No, I don't think that's possible. I think TVA
has been a very constructive factor, perhaps not
so important a factor as we sometimes like to think, but certainly
a very constructive force. I think TVA's effect has been
broad; I think government has improved as a result of relations
with TVA, and I think that TVA has been a constructive force in
the general economy of the area. Just how influential in a
particular field I don't think anyone can say with much certainty.

CRAWFORD: Well, of course, you have any number of economic indices which go upward after the establishment of TVA.

DURISCH: That's right.

CRAWFORD: Comparison of income with the national average and so forth.

DURISCH: That's right.

CRAWFORD: Do you know any way that it would be possible to establish how much of the improvement is the result of TVA?



DURISCH: I again would hesitate to say that it could. I
don't think you can do it very accurately even though
you are sure TVA has had an important positive effect on trends.

CRAWFORD: I know of no study that has done so.

DURISCH: No, and any study that tried to do it certainly would be challenged a great deal in many quarters.

CRAWFORD: I believe everyone associated with it is certain that TVA did help in the economic recovery of the region, but no one knows precisely how much.

DURISCH: Yes. It's a feeling rather than anything that can be established by measurement.

CRAWFORD: What about criticism of the Authority? I'm sure you've noticed it over the time that you were with TVA. What were the bases of it, and what changes did you notice in it?

DURISCH: Well, there have been so many criticisms of it that it's hard to decide which one to launch into. I think internally in the federal structure, the criticism that TVA is in violation of the basic organization of the federal

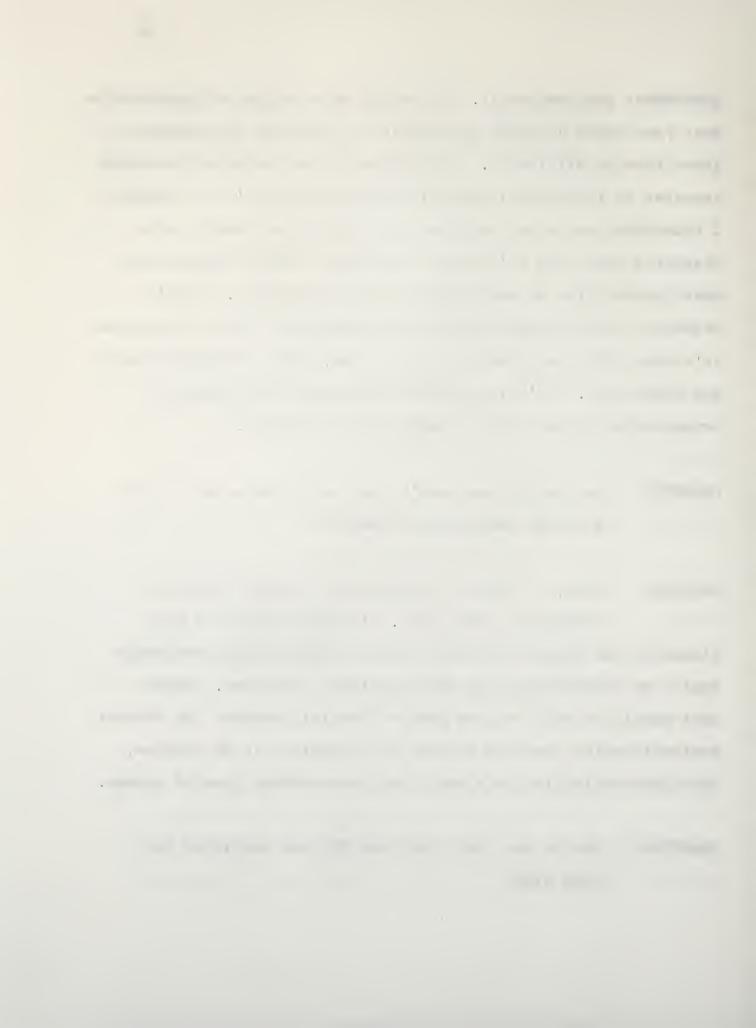
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government has some merit. To set up an area type of organization when your basic national government is organized functionally gives rise to difficulty. So I think the criticism of the other agencies in the federal structure is one that can't be ignored. I think they get along with one TVA; but if the country were blanketed with them we'd change the whole federal organization chart giving rise to many problems of coordination. That's probably a basic reason why the TVA experiment, which looks like it's been fairly successful in this area, hasn't been duplicated any place else. It's in conflict with basic principles of organization of our federal administrative system.

CRAWFORD: Do you believe that's the basic reason why it has not been duplicated elsewhere?

DURISCH: Well, I think it is not just a simple matter of setting up other TVAs. In other words, if you blanketed the country with this type of organization you would really be reorganizing the whole national structure. Maybe that should be done and can make a forceful argument for further regionalization; but you do have to recognize, in my opinion, that regionalization is a basic and far-reaching type of change.

CRAWFORD: Why do you feel then that TVA was justified for this area?

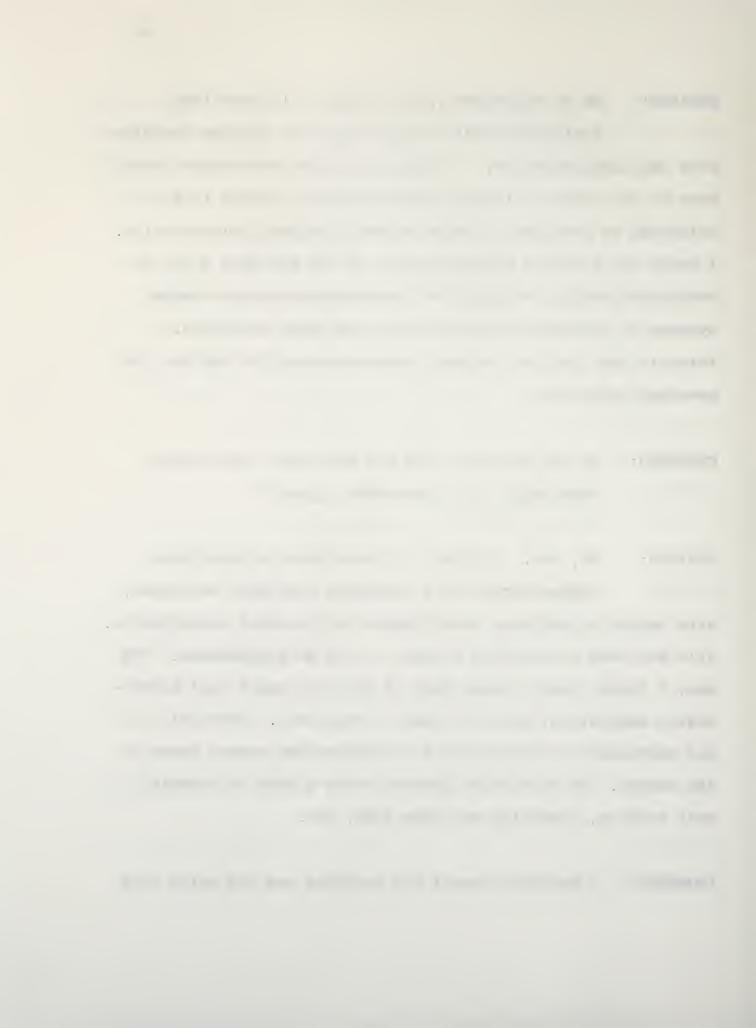


DURISCH: As an experiment, and I think it's more than
justified itself in the matter of program coordination and administration. I think its major achievements have
been in the field of internal administration rather than in
solutions of problems of state-federal-national relationships.
I think the internal administration at TVA has done a lot of
creditable things, ranging from experimentation with budget
systems to personnel administration and labor relations. I
think in the field of internal administration TVA has had its
greatest successes.

CRAWFORD: Do you feel that TVA has been more experimental than usual for a government agency?

DURISCH: Oh, yes. I think it's been able to experiment communication with personnel and labor relations, with budgeting and many other aspects of internal organization. It's not been too limited in what it can do programwise. TVA has, I think, done a great deal of what you might call bureaucratic adaptation, and it's done it very well. Currently it can emphasize its contribution to meeting the energy needs of the nation. At an earlier period it was a part in stemming soil erosion, promoting non-farm jobs, etc.

CRAWFORD: I believe several TVA projects now are doing this,



the education experimentation in Sequatchie Valley, the one you mentioned at Harriman--the pollution study and so forth.

DURISCH: Yes, of course, the problem of pollution has been there a long time; it's a matter of emphasis at a given period.





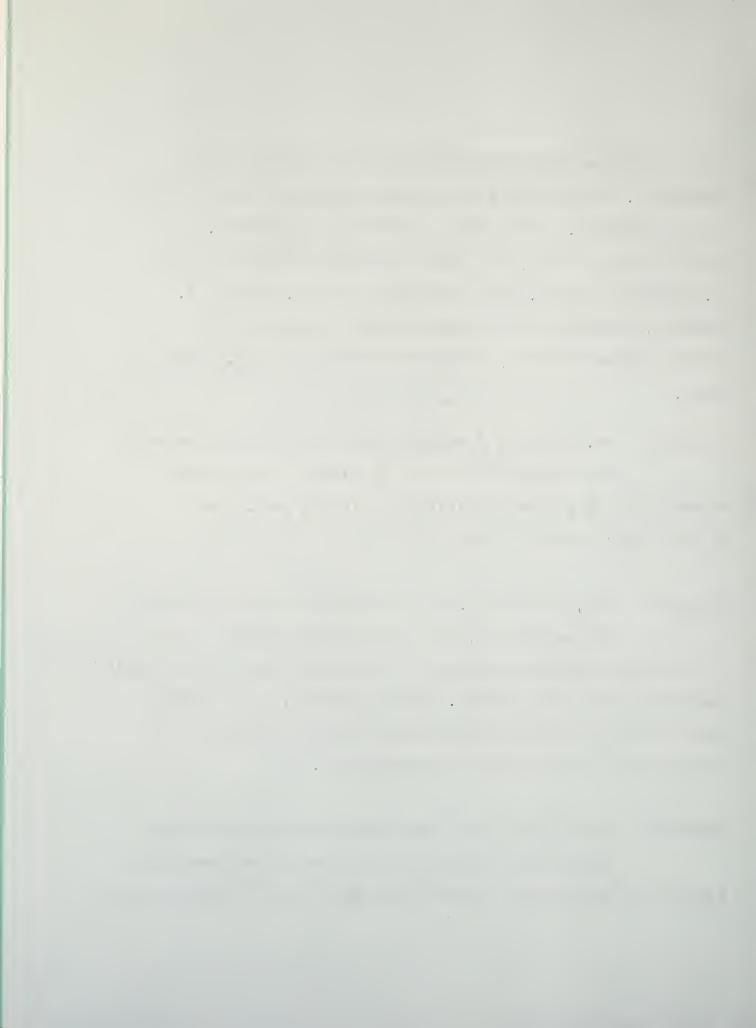


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CRAWFORD: Dr. Durisch, I suppose your work at the University of Tennessee indicates a friendly relationship between TVA and academic institutions in the area. Do you believe that's generally been true?

DURISCH: Yes, in general. I think part of the faculty of the university, for example the economics faculty, do tend to be somewhat critical of the agency, but I think that's desirable and to be expected. But in general, yes, I think you can say the relationships between TVA and academic institutions are friendly and constructive.

CRAWFORD: How did you select the parts of the region which needed developing; that is, how did you decide what aspects on development of state government, public administration



programs? How do you make these decisions?

interest of TVA and the receptivity of the universities and regional agencies in the field. I think TVA realized from the very start that, for example, they couldn't conduct the power program on one level of performance and have local government generally on an entirely different level. So, I think a lot of the things that TVA wanted to do in the area, and particularly working with local institutions, were tied up in the general improvement of government in the area, which gave TVA, I think, a direct interest in governmental improvement.

CRAWFORD: TVA undoubtedly was interested in improving the region. Do you feel that the people in the area were adequately consulted? Did TVA make the plans and then submit them to the people, or were they admitted to this matter of making . . .

DURISCH: I think TVA's concept of cooperation may be somewhat limited. I think TVA has tried to get support for programs, for their activities. I'm not sure that they ever, in many fields, jointly planned programs with the people of the region. It was often a question of getting support for TVA programs rather than cooperation at the planning stage. I

A . .

realize that it is subject to some modification and there are important exceptions. Of course, one of the most devastating and valid criticisms of TVA was that of Philip Selznick, who criticized the agency for excess of consultation and resignation of responsibility in the agricultural program. So, I think participation in planning has been varied from program to program.

CRAWFORD: Where was Philip Selznick's criticism published?

DURISCH: It was, I think, a Columbia publication. At least it was a Columbia dissertation. Its title is <u>TVA</u>

and the Grass Roots. And as far as political scientists are concerned, it certainly is one of the most often quoted publications on TVA. Selznick went on to establish a very good reputation in the field of institutional organization.

He has established himself as an authority and his work on TVA was his initial effort in the field of institutional relations.

CRAWFORD: Do you feel that it was true that people were consulted too much in some programs?

DURISCH: Well, I think you could very well argue that the early agricultural programs were dictated by the Extension Services and their pressure on clientele groups.

Yes, I think so but that domination didn't last down to



the present. I think the present agriculture relationships are no longer the type that Selznick was able to criticize so effectively.

CRAWFORD: I know that you did have a very close relation

between the extension service and existing agricultural systems of directing things, perhaps because of the
influence of Harcourt Morgan and John McAmis to some degree.

Do you believe that has changed considerably now?

DURISCH: Well, it certainly is not now as close as it was in the early period. I think TVA's approach to the field has been adapted to broader goals. In other words, the very name of the facility at Muscle Shoals has been changed to that of a Research Center. And certainly you would no longer believe, or TVA no longer believes, that by raising the basic fertility of the valley soils that you can solve all the valley problems. At one time I think TVA came pretty close to adopting that philosophy.

CRAWFORD: Well, of course, the agricultural and industrial ratio was changed considerably too.

DURISCH: That's right. In a period of overproduction,
there's much more than basic fertility that must

• . .

be considered.

CRAWFORD: They do considerable research yet I know. I interviewed Charlie Young down there a few weeks ago. How were these different priorities arranged—agriculture, the emphasis on power, navigation, and aid to local governments?

DURISCH: No, I think those were matters of board decisions, reflecting in that case the particular interest of policy-making agencies in the Authority, namely the board, at particular times. The staff, of course, was influential in suggesting approaches, but certainly in TVA the final decision has been that of the Board at a particular time.

CRAWFORD: As a regional authority TVA seems to have been quite successful. Do you think that similar success would be achieved in others if, for example, the country should be divided into other regional authorities?

DURISCH: Well, of course, we are getting an increased amount of regionalism in federal administration. We're getting a different kind and more participative type of administration in the Appalachian Regional Commission. The TVA organization is not an Appalachian Regional Commission; it doesn't carry with it requirements for state and local participation.



CRAWFORD: Do you believe that such a division would work?

DURISCH: I think it would be very difficult to regionalize all programs. You'd have the tremendous problems of coordination between regions and so forth. No, I don't think we're ready to abandon national programs in favor of regionalization.

CRAWFORD: Still, do you believe TVA has worked effectively in its region?

DURISCH: It carried out an effective program; yes, I'd say that. It's been an extremely effective agency, for example, in engineering construction and operation. What TVA has done it has done well. And I think that efficiency as well as advantages of organization has led to generally favorable results.

CRAWFORD: Do you believe the Tennessee River has been the thing that has tied it together that gave some centrality to it?

DURISCH: Yes.

CRAWFORD: And of course, it would be difficult to find this

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in other similar things I suppose. Why has it operated effectively? Do you believe that TVA has been more experimental, more efficient than government agencies in general?

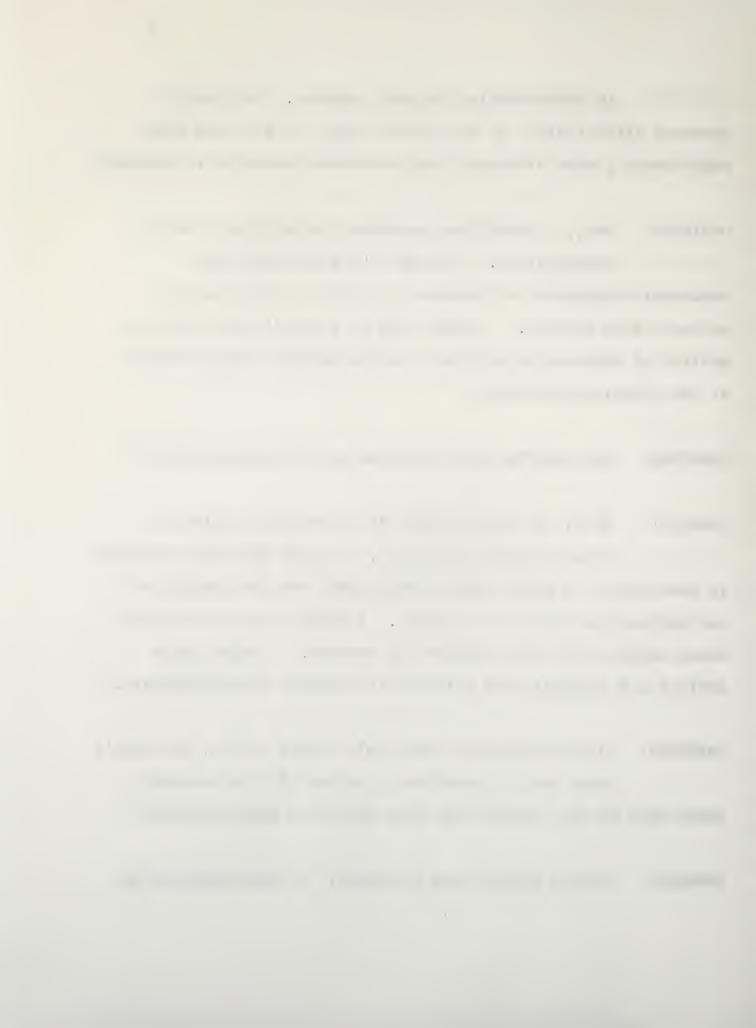
DURISCH: Well, I think they succeeded in building a better organization. I think it's gone ahead with remarkable singleness of purpose in a lot of fields and has produced good results. I think this is a result more from the quality of administration than from the special characteristics of the organization itself.

CRAWFORD: Why did TVA have such good quality administration?

DURISCH: Well, it was recruited at the time it could get great engineering talent. I think the first chairman is deserving of a great deal of the credit for the quality of the engineering work in the agency. I think the other original board members also were capable and devoted. I think their ability and integrity has paid off in terms of accomplishments.

CRAWFORD: Of the directors that you've known in TVA, and that's been most of them over a period of time obviously, which ones do you consider the most effective administrators?

DURISCH: That's pretty hard to answer. I think they all had



different contributions. In terms of engineering concepts and organization of the multi-purpose project, I, of course, am a great admirer of the first chairman; this in spite of the fact that he was almost impossible to get along with. I think you have to certainly credit him with being a great humanitarian and an imaginative engineer; I think a lot of the operating procedures and standards that were established are due in no small part to the first chairman. I think all the board members made some contribution. I don't believe TVA has, at least in the period I was there, had a truly incompetent board member. I haven't agreed with all the things that all of them have done or tried to do, but I think the standard of board competency has been pretty high.

CRAWFORD: I believe TVA has been fortunate, certainly, in the first three, in the balance of them.

DURISCH: I think that's right. They all had a contribution and were able to make it.

CRAWFORD: Well there are several parts missing in this study.

One part is that of Gordon Clapp since he is gone.

What sort of an administrator, what sort of a planner did you consider him to be?



DURISCH: I think Clapp was extremely imaginative and able.

He had a good academic background. I think he was more of the scholar than other members of the board. I've got a great deal of respect for the things that Gordon Clapp tried to do for the Authority. I think he was extremely capable and devoted to the agency.

CRAWFORD: Another part missing in it has been the work of
Harcourt Morgan, though I've talked to people who
worked with him--John Ferris, Neil Bass and others. What were
his administrative contributions or planning contributions as
you see them?

DURISCH: Well, I suppose this idea that was criticized by

Philip Selznick owes its origin to H. A. Morgan,
who maintained the idea that the program should not be in
conflict with the standards and objectives of agencies,
particularly the Extension Service. And so I think he was pretty
much responsible for the approach of the early agricultural
programs. And as I say, it has both elements to be praised and
elements of more doubtful validity; but I think H. A. Morgan
was responsible for that early cooperative approach. I don't
think either of the other directors had it or understood it
in the early period. I think David E. Lilienthal's concepts
of grass roots democracy were formed after his association with
H. A. Morgan.

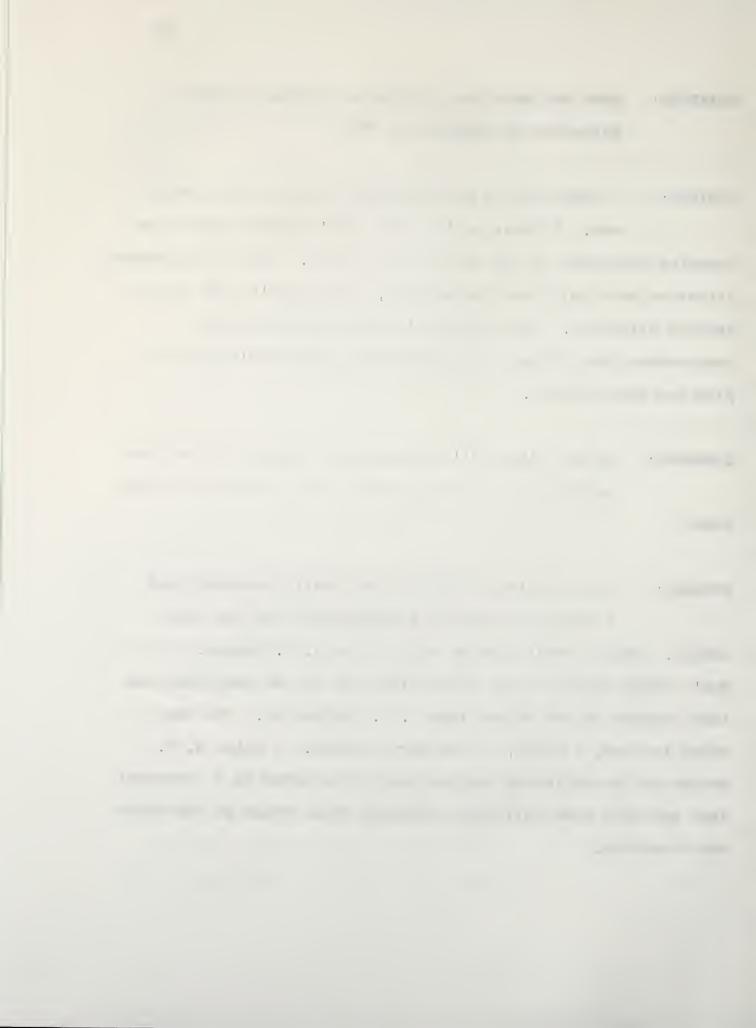
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CRAWFORD: Have you seen any noticeable changes in the direction or purposes of TVA?

DURISCH: I think TVA is more adaptable politically than it was. I think you'll find that's partly due to the changing character of the Board of Directors. Two of the present directors have political backgrounds, which wasn't true of the earlier directors. So I think it's much closer to area congressmen than it was in the beginning, and that's both a plus and minus factor.

CRAWFORD: Do you think TVA's emphasis on standing aside from politics in the early period was a strength at that time?

I think it served its purpose well in the early period. This I credit almost entirely to A. E. Morgan. I don't think either of the other directors in the beginning had that concept to the extent that A. E. Morgan did. The same thing is true, I think, of the merit system. I think A. E. Morgan in the beginning was much more interested in a personnel that was free from political influence than either of the other two directors.



CRAWFORD: What about the change of administrations from

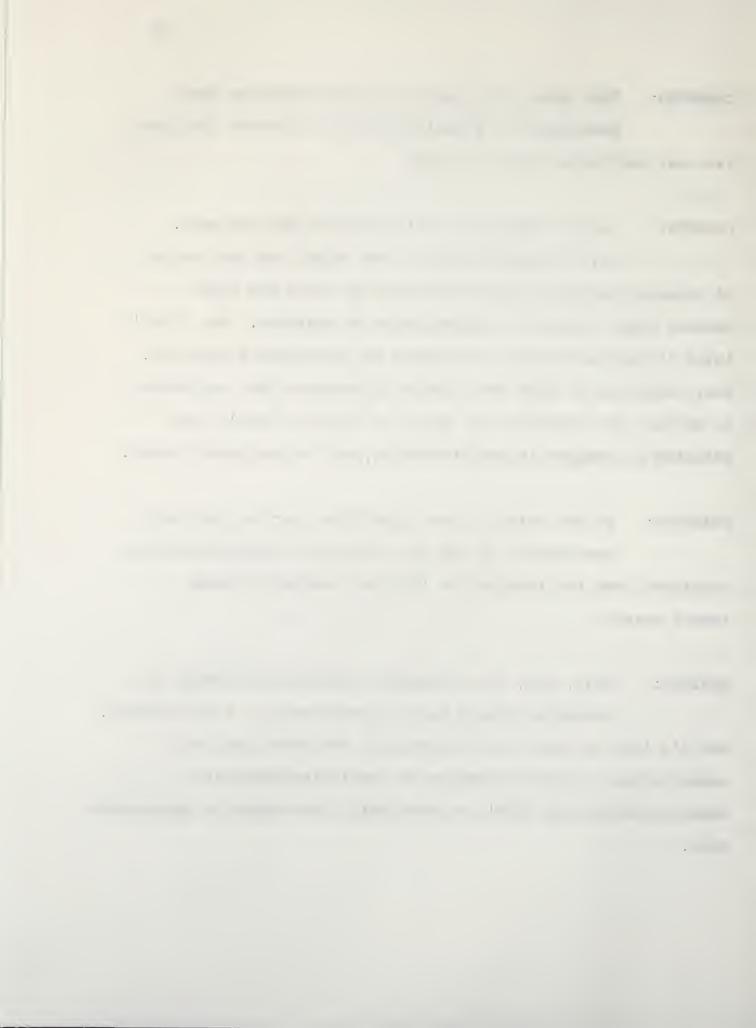
Democratic to Republican in the fifties? Did that
have any particular effect on TVA?

DURISCH: In the long run I don't think it had too much.

No, I think the agency went along and the period
of greatest activity in the construction field was after
General Vogel joined the organization as chairman. No, I don't
think it has had too much influence in the overall activity.
Now, there may be some more subtle differences that are harder
to define; but certainly the level of activity hasn't been
affected by changes in administration, not to any great extent.

CRAWFORD: Do you think it was significant for the continued development of TVA that Democratic administrations continued from its founding in '33 for a period of about twenty years?

DURISCH: Well, yes, that probably permitted the agency to establish itself and to become more or less accepted. But I'd like to point out that some of the other New Deal agencies had the same advantage of continuing Democratic administrations but didn't survive until the change of administration.



CRAWFORD: Why do you think TVA did survive?

DURISCH: I think it was working in an area which needed public programs. Even its critics conceded it was carrying out programs effectively. It received a lot of political support from the region itself. It was not good politics in the area to be opposed to TVA, so it got some very effective bi-partisan support from politicians from the valley states. As a result TVA was able to survive changes in administration.

CRAWFORD: That, I believe, is still correct. Who was responsible for this practically unanimous political support in the area?

DURISCH: Well, I think it's a recognition that TVA was good for the region and in the early years a very pragmatic support of the expenditure of public funds in the area. Much of it, I think, was more idealistic than that.

But you can assign pragmatism as a reason for support from politicians who are not particularly noted for the breadth of their thinking but who still support the expenditure of funds by the TVA.

CRAWFORD: Do you feel there has been any particular change in the internal administration of TVA over a period

of time? At the beginning it seemed much more experimental and innovative than government agencies usually were. Has that changed?

DURISCH: I don't think TVA has entirely lost its experimental character as far as internal administration is concerned. I think it's much more orthodox in its relationships with Congress and more responsive to the wishes of the local congressional delegations and depended upon them for support to a greater extent than it was in the earlier days. They probably lost some of the idealistic support from congressmen from other areas. It now becomes more of a matter of sheer use of area influence in congressional matters and less of a matter of nation-wide idealism.

CRAWFORD: Do you believe the TVA Act provided an efficient structure—three board members and, I believe, no separate designation for general manager at that time?

DURISCH: I think it was totally defective in that it allowed the early board members to enter directly into administration. I think that was a major mistake in the administrative arrangements made by the first directors. Of course, there was no reason why they couldn't have established a general manager at the first meeting of the board, but they

didn't do it. They insisted on entering directly into administration. I think that, of course, was largely the source of the difficulty that developed among the three.

CRAWFORD: Do you know why there was this delay in setting up a coordinator's office or later general manager's?

DURISCH: Yes, I think the first three board members liked to do things themselves. I mean, they were as Professor Charles E. Merriam expressed it, "three prima donnas."

CRAWFORD: Was that in a study that he did?

DURISCH: No, that was made to me in a personal conversation.

Professor Merriam was disturbed that TVA was not getting a coordinator and soon after I came down here I talked with him while on a trip to Chicago. I think he predicted very accurately what was going to happen—what did happen. He said they were making a mistake not to set up a unified administration and in trying to handle administration on the same basis as, say, a city commission form of government.

CRAWFORD: I think Floyd Reeves may have given them the same advice.

DURISCH: Yes, he probably did. A lot of people did; Louis

Brownwell certainly did. They had plenty of advice
along that line, but I don't think any of the three cared to
accept it. I think H. A. Morgan wasn't about to give up his
direct control of the agricultural program, nor was Lilienthal
with power, and, of course, A. E. Morgan had an exaggerated
idea of his role in administration. I don't think any of the
three were receptive to change on the basis that they were
violating good administrative theory by the type of organization
they were using. They had to learn the hard way.

CRAWFORD: Events compelled the ultimate appointment of a coordinator, I suppose.

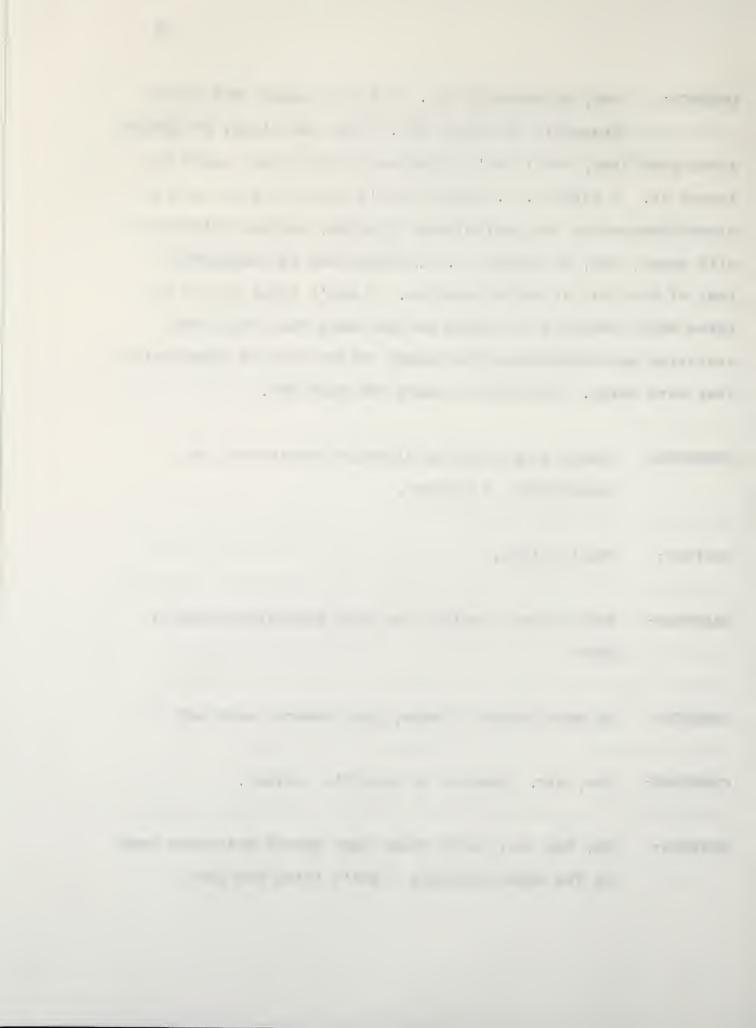
DURISCH: That's right.

CRAWFORD: What do you consider the best scholarly study of TVA?

DURISCH: In what field? I mean, just general studies?

CRAWFORD: Yes, sir. General or specific, either.

DURISCH: Oh, the very early study that Herman Pritchett made of TVA administration I don't think has been



I think sets out very well the relationship of various programs at that time. I think Selznick's book was a contribution. Sentimentally and from the standpoint of public relations value, of course, Lilienthal's <u>Democracy on the March</u> is outstanding. The definitive work of TVA has yet to be written; no one has really done a job on it.

CRAWFORD: Well, we hope this material will contribute something to that.

DURISCH: It'll make it easier for some researcher. I don't know if you've encountered in earlier reports a manuscript done by Herman Finer.

CRAWFORD: I'm familiar with the name. What was the study done?

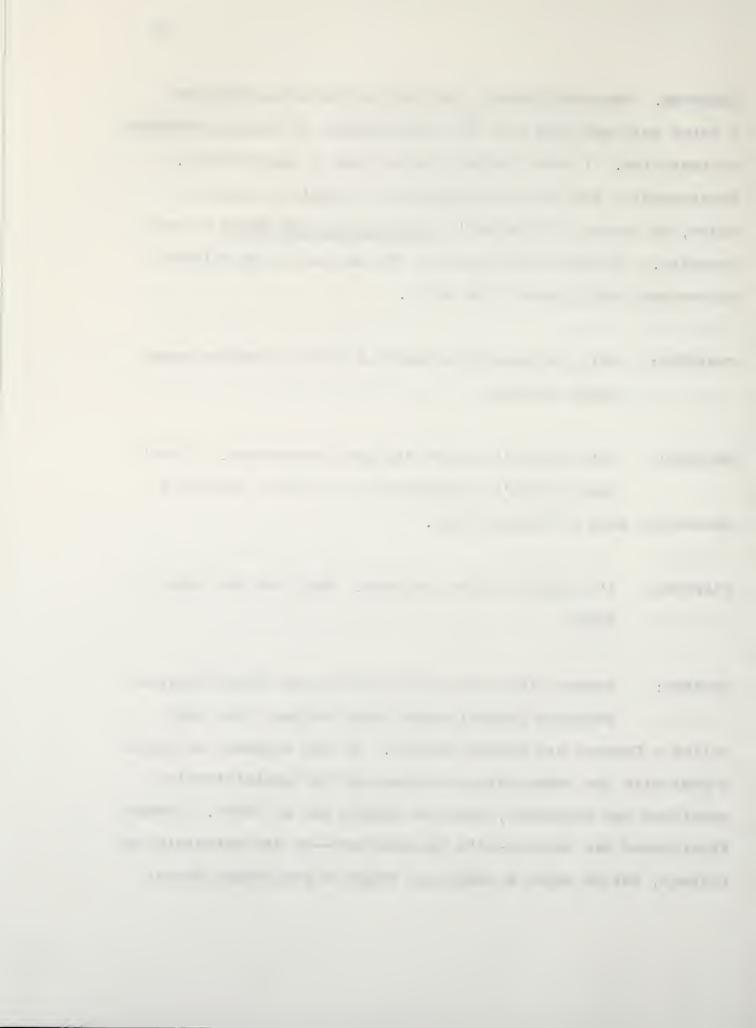
DURISCH: Herman Finer was sent to TVA by the Social Science
Research Council under their project that they

called a Capture and Record Project. He was supposed to spend
a year with the organization setting out the administrative

practices and processes, decision making and so forth. Herman

Finer ended his career—he's deceased now—at the University of

Chicago, but he spent a number of years in the London School



of Economics and was a distinguished political scientist.

Herman Finer spent a year in a early period of TVA, at a time the controversy between the board members was developing. His Capture and Record notes were quite extensive. The only trouble was that they were more than capture and record; they took a point of view. And as a result, the Social Science Research Council refused to sanction their publication.

CRAWFORD: They were published, though, weren't they?

DURISCH: No, never published.

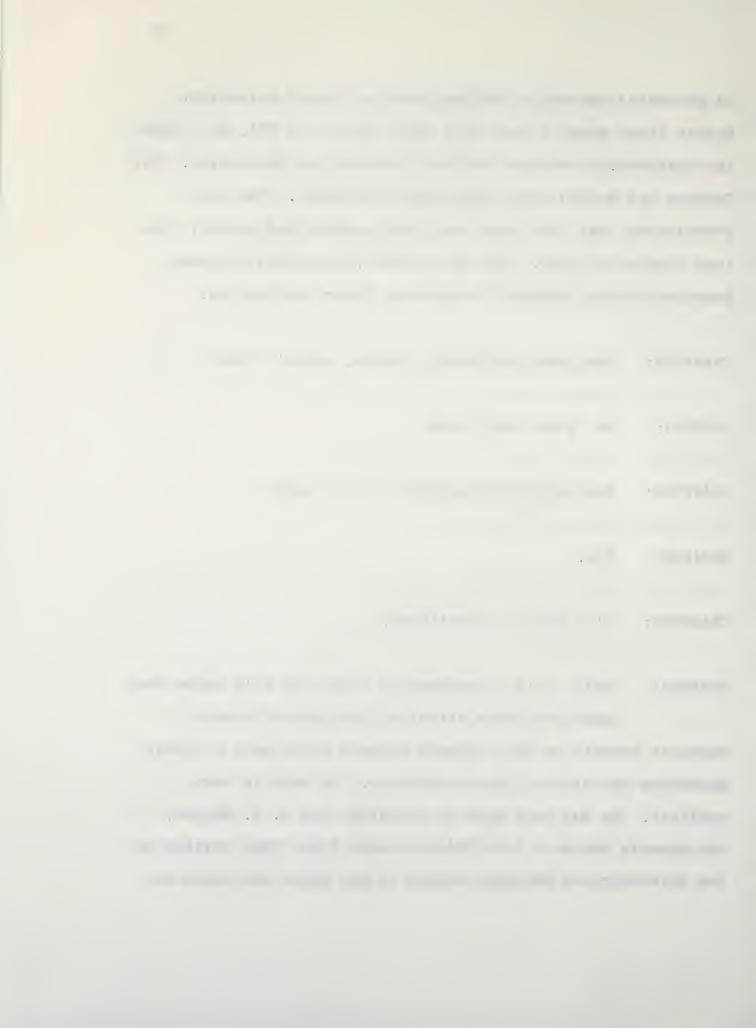
CRAWFORD: You know what happened to the report?

DURISCH: Yes.

CRAWFORD: I've heard it mentioned.

DURISCH: Well, it's in manuscript form, but it's never been

made available either by the Social Science
Research Council or TVA, largely because Finer very actively
sponsored one side of the controversy. He made it very
explicit. He was very much in sympathy with A. E. Morgan.
And shortly before I left TVA Professor Finer then retired at
the University of Chicago, wanted to get these old notes out



and publish them but the Social Science Research Council again wouldn't consent to publication. Herman Finer told me he considered his work on the material some of his most significant research. He did do a publication for the International Labor Office, but was denied permission to publish the capture and record material.

CRAWFORD: Are they held by Finer or by the Social Science Research Council?

DURISCH: I think Social Science Research Council has a copy of them. I think perhaps TVA has a copy of it too.

CRAWFORD: What was Finer's first name?

DURISCH: Herman. Herman Finer.

CRAWFORD: What was the Pritchett book you mentioned?

DURISCH: It was a public administration study of TVA. There it is up here. It's that second book on the shelf. I think that's it.

CRAWFORD: Yes, sir. C. H. Pritchett, <u>Tennessee Valley</u>

<u>Authority</u>, <u>Study of Public Administration</u>, published in Chapel Hill.

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DURISCH: That's right. Pritchett was on my staff, and he took leave to work with Herman Finer, and this book was partially the result of his work with Finer. Pritchett later became head of the Department of Political Science at the University of Chicago. You can see it represents a very early period in TVA administrative policy.

CRAWFORD: Have you considered doing any research on this yourself, Dr. Durisch, or are you too close to it to want to do that?

DURISCH: Well, my stock answer on that is, if I produce anything that's very critical I'd be a disgruntled ex-employee; and if it were too favorable I've been brainwashed. Seriously, I do have a few articles on TVA written while I was there. I don't seem to have time now. I'm kept pretty busy teaching here. My classes seem to be quite large, particularly my seminars. And I don't know whether I have anything really basic to say about TVA, so I'm going to pass up the research. I have considered extending an article that I did on basic decisions of TVA. I don't know if you've seen that. It was published in 1954. It recorded the administrative decisions that the board made. I think I maybe will bring that up to date. That's about as far as I think I'll go.

CRAWFORD: I want to read that article, Dr. Durisch. Where is it published?

DURISCH: Public Administration Review. It's an article I did jointly with Robert Lowry who is still with the Authority; It won the first Brownell Prize for the best article in the field in 1954.

CRAWFORD: About what year was that published?

DURISCH: It was around 1954. It was published in the <u>Public</u>

<u>Administration Review</u>.

CRAWFORD: Is there anything else? Are there any other details you recollect that would be of value to researchers writing later—five years or a hundred years from now—any time?

DURISCH: No, I can't think of anything. I am impressed in the time that I've been there the close relation—ship between the particular time period and administrative activities. Decisions that look questionable now may have looked entirely different at the time they were made. And TVA started working in a time when the economy had had a pretty rude jolt, and the region was very depressed. I think the fact that TVA has been so adaptable is one of the most remarkable things

about the agency. The energy that they're showing now in scrambling onto the environmental polution problem is an exercise in adaptability. Shifting away from the earlier concepts of restoring the fertility of the soil as a major method of alleviating economic distress is realistic. TVA knows when to get off a particular emphasis and onto another.

CRAWFORD: Do you think that's because of the quality of TVA leadership?

DURISCH: Leadership involves adaptability. And, of course, the TVA Act is a very broad one which gives considerable freedom to adapt. The act really is written in such general terms that you can do a lot of things under it—anything from planning new cities to building nuclear power plants.

CRAWFORD: It seems much more flexible now, I believe, than it did at the beginning.

DURISCH: Yes, the legal challenge to TVA was met in such a way that it doesn't give opponents much basis for challenge. The court decided in the Tennessee Electric Power Case that the companies didn't have what is called "standing" to challenge the constitutionality of TVA. Well, if the electric

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utility companies that were being acquired don't have standing in the court, then who does? So it really leaves a position in which the constitutionality of specific actions are pretty hard to contest--pretty hard to challenge. So the legal restraints that TVA may have felt in the earlier period are pretty well gone. The range of possible activities is broad indeed.

CRAWFORD: Well, thank you very much, Dr. Durisch.











